

inspection and any resulting repairs done before the effective date of this AD using procedures different from those specified in M7 Aerospace LLC SA227 Series Commuter Category Service Bulletin CC7-53-005, dated November 15, 2013; and M7 Aerospace LLC SA227 Series Service Bulletin 227-53-009, dated November 15, 2013, may apply for an alternative method of compliance (AMOC) following the instructions in paragraph (m) of this AD.

(l) Paperwork Reduction Act Burden Statement

A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a current valid OMB Control Number. The OMB Control Number for this information collection is 2120-0056. Public reporting for this collection of information is estimated to be approximately 5 minutes per response, including the time for reviewing instructions, completing and reviewing the collection of information. All responses to this collection of information are mandatory. Comments concerning the accuracy of this burden and suggestions for reducing the burden should be directed to the FAA at: 800 Independence Ave. SW., Washington, DC 20591, Attn: Information Collection Clearance Officer, AES-200.

(m) Alternative Methods of Compliance (AMOCs)

(1) The Manager, Fort Worth Airplane Certification Office, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or local Flight Standards District Office, as appropriate. If sending information directly to the manager of the ACO, send it to the attention of the person identified in the Related Information section of this AD.

(2) Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the local flight standards district office/certificate holding district office.

(n) Related Information

For more information about this AD, contact Andrew McAnaul, Aerospace Engineer, FAA, ASW-150 (c/o San Antonio MIDO), 10100 Reunion Place, Suite 650, San Antonio, Texas 78216; phone: (210) 308-3365; fax: (210) 308-3370; email: andrew.mcanaul@faa.gov.

(o) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference (IBR) of the service information listed in this paragraph under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) You must use this service information as applicable to do the actions required by this AD, unless the AD specifies otherwise.

(i) M7 Aerospace LLC SA227 Series Commuter Category Service Bulletin CC7-53-005, dated November 15, 2013.

(ii) M7 Aerospace LLC SA227 Series Service Bulletin 227-53-009, dated November 15, 2013.

(3) For M7 Aerospace LLC service information identified in this AD, contact M7 Aerospace LLC, 10823 NE Entrance Road, San Antonio, Texas 78216; phone: (210) 824-9421; fax: (210) 804-7766; Internet: <http://www.m7aerospace.com>; email: MetroTech@M7Aerospace.com.

(4) You may view this service information at FAA, Small Airplane Directorate, 901 Locust, Kansas City, Missouri 64106. For information on the availability of this material at the FAA, call 816-329-4148.

(5) You may view this service information that is incorporated by reference at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: <http://www.archives.gov/federal-register/cfr/ibr-locations.html>.

Issued in Kansas City, Missouri, on July 14, 2014.

Kelly A. Broadway,

Acting Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. 2014-17053 Filed 7-22-14; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2014-0159; Directorate Identifier 2014-NE-01-AD; Amendment 39-17905; AD 2014-15-03]

RIN 2120-AA64

Airworthiness Directives; Pratt & Whitney Canada Corporation Turboprop Engines

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: We are adopting a new airworthiness directive (AD) for certain serial number Pratt & Whitney Canada Corporation (P&WC) model PW150A turboprop engines. This AD requires rerouting of the igniter cables and installation of new support brackets. This AD was prompted by reports of damage to a high-pressure fuel line, which could result in a high-pressure fuel leak into the engine nacelle. We are issuing this AD to prevent high-pressure fuel leaks, which could cause engine fire and damage to the engine and the airplane.

DATES: This AD becomes effective August 27, 2014.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of August 27, 2014.

ADDRESSES: For service information identified in this AD, contact Pratt & Whitney Canada Corp., 1000 Marie-Victorin, Longueuil, Quebec, Canada, J4G 1A1; phone: (800) 268-8000; fax: (450) 647-2888; Internet: www.pwc.ca. You may view this service information at the FAA, Engine & Propeller Directorate, 12 New England Executive Park, Burlington, MA. For information on the availability of this material at the FAA, call (781) 238-7125.

Examining the AD Docket

You may examine the AD docket on the Internet at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2014-0159; or in person at the Docket Management Facility between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this AD, the mandatory continuing airworthiness information (MCAI), the regulatory evaluation, any comments received, and other information. The address for the Docket Office (phone: (800) 647-5527) is Document Management Facility, U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE., Washington, DC 20590.

FOR FURTHER INFORMATION CONTACT:

Wego Wang, Aerospace Engineer, Engine Certification Office, FAA, Engine & Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803; phone: (781) 238-7134; fax: (781) 238-7199; email: wego.wang@faa.gov.

SUPPLEMENTARY INFORMATION:

Discussion

We issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 by adding an AD that would apply to the specified products. The NPRM was published in the **Federal Register** on April 10, 2014 (79 FR 19844). The NPRM proposed to correct an unsafe condition for the specified products. The MCAI states:

There have been reports of damage in excess of acceptable criteria to the high-pressure fuel line from the P&WC PW150A engine flowmeter to the flow divider. Damage has included fretting wear through contact with the engine igniter cables. The contact is the result of incorrectly routed igniter cables. While there has been no report of associated fuel leakage, the fretting wear, if undetected, could progress to a point where high-pressure fuel would leak into the engine nacelle.

Comments

We gave the public the opportunity to participate in developing this AD. We considered the comment received.

Request To Clarify Definition of Shop Visit

One commenter requested that we clarify the definition of shop visit because the igniter cables are on the exterior of the engine and no disassembly is required to gain access to the igniter cables.

We agree. We changed the definition of shop visit in paragraph (f) of this AD to be when an engine is inducted into the shop to perform maintenance.

Conclusion

We reviewed the available data, including the comment received, and determined that air safety and the public interest require adopting this AD with the changes described previously. We determined that these changes will not increase the economic burden on any operator or increase the scope of this AD.

Costs of Compliance

We estimate that this AD affects 180 engines installed on airplanes of U.S. registry. We also estimate that it would take about 1 hour per engine to comply with this AD. The average labor rate is \$85 per hour. Required parts cost about \$682 per engine. Based on these figures, we estimate the cost of this AD on U.S. operators to be \$138,060.

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, section 106, describes the authority of the FAA Administrator. "Subtitle VII: Aviation Programs," describes in more detail the scope of the Agency's authority.

We are issuing this rulemaking under the authority described in "Subtitle VII, Part A, Subpart III, Section 44701: General requirements." Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

Regulatory Findings

We determined that this AD will not have federalism implications under Executive Order 13132. This AD will not have a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and

responsibilities among the various levels of government.

For the reasons discussed above, I certify this AD:

- (1) Is not a "significant regulatory action" under Executive Order 12866,
- (2) Is not a "significant rule" under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979),
- (3) Will not affect intrastate aviation in Alaska to the extent that it justifies making a regulatory distinction, and
- (4) Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

Adoption of the Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA amends 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

- 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

- 2. The FAA amends § 39.13 by adding the following new airworthiness directive (AD):

2014–15–03 Pratt & Whitney Canada

Corporation: Amendment 39–17905; Docket No. FAA–2014–0159; Directorate Identifier 2014–NE–01–AD.

(a) Effective Date

This AD becomes effective August 27, 2014.

(b) Affected ADs

None.

(c) Applicability

This AD applies to Pratt & Whitney Canada Corporation (P&WC) model PW150A turboprop engines, serial number PCE–FA0916 and earlier.

(d) Reason

This AD was prompted by reports of damage to a high-pressure fuel line, which could result in a high-pressure fuel leak into the engine nacelle. We are issuing this AD to prevent high-pressure fuel leaks, which could cause engine fire and damage to the engine and the airplane.

(e) Actions and Compliance

Comply with this AD within the compliance times specified, unless already done.

(1) At the next shop visit, but before 36 months from the effective date of this AD, reroute the igniter cables and install new support brackets in accordance with paragraph 3.B., Accomplishment Instructions, of P&WC Service Bulletin (SB) No. PW150–72–35274, Revision 1, dated May 3, 2012.

(2) Reserved.

(f) Definition

For the purpose of this AD, a shop visit is when the engine is inducted into the shop to perform maintenance.

(g) Credit for Previous Action

If you performed the actions in paragraph (e) of this AD before the effective date of this AD using P&WC SB No. PW150–72–35274, Initial Issue, dated March 23, 2012, you met the requirements of this AD.

(h) Alternative Methods of Compliance (AMOCs)

The Manager, Engine Certification Office, FAA, may approve AMOCs to this AD. Use the procedures found in 14 CFR 39.19 to make your request.

(i) Related Information

(1) For more information about this AD, contact Wego Wang, Aerospace Engineer, Engine Certification Office, FAA, Engine & Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803; phone: (781) 238–7134; fax: (781) 238–7199; email: wego.wang@faa.gov.

(2) Refer to MCAI Transport Canada AD CF–2014–09, dated February 12, 2014, for more information. You may examine the MCAI in the AD docket on the Internet at <http://www.regulations.gov/#!documentDetail;D=FAA-2014-0159-0003>.

(j) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference (IBR) of the service information listed in this paragraph under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) You must use this service information as applicable to do the actions required by this AD, unless the AD specifies otherwise.

(i) Pratt & Whitney Canada Corporation (P&WC) Service Bulletin No. PW150–72–35274, Revision 1, dated May 3, 2012.

(ii) Reserved.

(3) For P&WC service information identified in this AD, contact Pratt & Whitney Canada Corp., 1000 Marie-Victorin, Longueuil, Quebec, Canada, J4G 1A1; phone: (800) 268–8000; fax: (450) 647–2888; Internet: www.pwc.ca.

(4) You may view this service information at FAA, Engine & Propeller Directorate, 12 New England Executive Park, Burlington, MA. For information on the availability of this material at the FAA, call (781) 238–7125.

(5) You may view this service information at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call (202) 741–6030, or go to: <http://www.archives.gov/federal-register/cfr/ibr-locations.html>.

Issued in Burlington, Massachusetts, on July 14, 2014.

Thomas A. Boudreau,

Acting Assistant Directorate Manager, Engine & Propeller Directorate, Aircraft Certification Service.

[FR Doc. 2014-17204 Filed 7-22-14; 8:45 am]

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Parts 2 and 35

[Docket No. PL14-1-000]

Payment of Dividends From Funds Included in Capital Account

AGENCY: Federal Energy Regulatory Commission.

ACTION: Policy statement.

SUMMARY: The Commission issues this policy statement to provide guidance that the Federal Power Act (FPA) should be interpreted as not prohibiting the payment of dividends from funds included in capital account by any public utility that has a market-based rate tariff on file with the Commission, does not have captive customers, and does not provide transmission or local distribution services. The Commission has concluded that the payment of dividends from funds included in capital account by such public utilities does not implicate the concerns underlying the enactment of the provision of the FPA that prohibits the payment of dividends from funds included in capital account. Thus, it is unnecessary for any public utility that meets the criteria identified in this policy statement to file a petition for declaratory order in order to seek assurances that dividends paid from capital account are not unlawful under this provision of the FPA.

DATES: This policy will become effective July 23, 2014.

FOR FURTHER INFORMATION CONTACT:

Eric Olesh (Technical Information),
Office of Energy Market Regulation,
888 First Street NE., Washington, DC
20426, (202) 502-6524, eric.olesh@ferc.gov.

Antonia Frost (Legal Information),
Office of General Counsel, 888 First
Street NE., Washington, DC 20426,
(202) 502-8085, antonia.frost@ferc.gov.

SUPPLEMENTARY INFORMATION:

148 FERC ¶ 61,020

Before Commissioners: Cheryl A. LaFleur,
Acting Chairman; Philip D. Moeller, John
R. Norris, and Tony Clark.

Policy Statement

Issued July 17, 2014.

1. The Commission issues this policy statement to provide guidance that section 305(a) of the Federal Power Act (FPA)¹ should be interpreted as not prohibiting the payment of dividends from funds included in capital account by any public utility that has a market-based rate tariff on file with the Commission, does not have captive customers, and does not provide transmission or local distribution services because the Commission has concluded that the payment of dividends from capital account by such public utilities does not appear to implicate the concerns underlying the enactment of FPA section 305(a). In issuing this policy statement, the Commission eliminates a regulatory burden otherwise applicable under FPA section 305(a) to certain public utilities that pay dividends from funds included in capital account. Thus, it is unnecessary for any public utility that meets the criteria identified in this policy statement to file a petition for declaratory order in order to seek assurances that dividends paid from capital account are not unlawful under FPA section 305(a).

I. Background

A. FPA Section 305(a) and Its Underlying Concerns

2. FPA section 305(a) provides that it shall be unlawful for any officer or director of any public utility to participate in the making or paying of any dividends of such public utility from any funds properly included in capital account.²

3. In *Citizens Utils. Co.*, the Commission noted that this provision of FPA section 305(a) had not previously been interpreted by the Commission or the courts, and that there was no explicit statement in the legislative history discussing the intent behind this provision.³ The Commission went on to explain, however, that Congress' intent could be gleaned from the practices that led to the passage of the legislation,⁴ providing as an example:

that sources from which cash dividends were paid were not clearly identified and that holding companies had been paying out excessive dividends on the securities of their operating companies. A key concern, thus,

was corporate officials raiding corporate coffers for their personal financial benefit.⁵

In later cases, in order to ensure that the dividend pay-outs in question would not impair the liquidity and financial integrity of a public utility, the Commission has also often conditioned its grant of declaratory relief on the utility's commitment to observe specified limitations on the amount of such dividends or on other financial commitments.⁶

B. Petitions for Declaratory Order Requesting Relief

4. In cases in which a dividend (cash or otherwise) will be accounted for as a charge to stated, additional, or miscellaneous paid-in capital of a public utility,⁷ public utilities often filed petitions for declaratory orders in which the petitioner requests the Commission's concurrence that, based upon the facts and circumstances presented, the making or paying of a proposed dividend will not implicate the concerns underlying the enactment of FPA section 305(a) and, therefore, will not violate FPA section 305(a). The majority of these petitions arose from three situations: (1) Cases involving utility mergers or acquisitions in which, due to the application of purchase accounting to the transaction, the retained earnings, which is the traditional source of dividends, of the acquired public utility is reclassified for balance sheet purposes as additional paid-in capital, without having any effect on cash otherwise available for paying future dividends;⁸ (2) cases involving the distribution (or "spin-off") of the stock of a subsidiary or subsidiaries of a public utility, as the result of which, again for balance sheet purposes, the retained earnings of the public utility may be substantially reduced or eliminated, without having

⁵ *Id.* at 61,865 (footnotes omitted); *see also* *Entergy Louisiana Inc.*, 114 FERC ¶ 61,060, at P 12 (2006); *Exelon Corp.*, 109 FERC ¶ 61,172, at P 8 (2004); *ALLETE, Inc.*, 107 FERC ¶ 61,041, at P 10 (2004); *Niagara Mohawk Holdings, Inc.*, 95 FERC ¶ 61,381, at 62,416, *order denying reh'g*, 96 FERC ¶ 61,144 (2001).

⁶ *Niagara Mohawk Holdings, Inc.*, 99 FERC ¶ 61,323, at P 10 (2002) (order on compliance filing accepting petitioner's commitment not to pay dividends out of paid-in capital unless it had an investment grade credit rating for its long-term debt); *Exelon Corp.*, 109 FERC ¶ 61,172 at P 9 (requiring petitioner to maintain a minimum common equity balance of 30 percent of total capital).

⁷ *See, e.g.*, 18 CFR pt. 101, Account 201, Common stock issued, and Account 211, Miscellaneous paid-in capital.

⁸ *See, e.g.*, *National Grid plc*, 117 FERC ¶ 61,080, at P 83 (2006), *order denying reh'g*, 122 FERC ¶ 61,096 (2008); *Ameren Corp.*, 131 FERC ¶ 61,240 (2010); *Duke Energy Ohio, Inc.*, 137 FERC ¶ 61,137 (2011).

¹ 16 U.S.C. 825d(a).

² *Id.*

³ *Citizens Utils. Co.*, 84 FERC ¶ 61,158, at 61,864 (1998) (*Citizens*).

⁴ *Id.* at 61,864-65.